

# Memorandum



**Date:** March 22, 2010

**To:** Honorable Dennis C. Moss and  
Members, Board of County Commissioners

**From:** George M. Burgess  
County Manager

**Subject:** *Building Better Communities* General Obligation Bond Program Quarterly Progress Report – 1<sup>st</sup> and 2<sup>nd</sup> Quarters FY 2010 (October 1, 2009 – March 31, 2010)

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The following report provides an update on the *Building Better Communities* General Obligation Bond Program (GOB) for the period from October 1, 2009 through March 31, 2010. During this time span, we continued with ongoing bond projects now underway at 447 project sites throughout Miami-Dade. Below are highlights of the program during this period (See Attachment 1). Current economic conditions, consequent impacts to the tax roll and the Board's decision in September 2009 regarding the debt service millage have significantly impacted the County's ability to sell bonds. Based on this, staff is in the process of evaluating the effect that reduced bonding capacity will have on the program and planning the timing of future bond sales. This process is expected to be completed in the near future.

## CUMULATIVE OVERALL PROGRAM OVERVIEW

- **Design and Construction** – More than \$208 million in design and construction contracts have been approved for advertising or awarded.
- **Municipalities** – \$135 million in municipal agreements have been fully executed.
- **Property Acquisitions** – Approximately \$69 million in County property acquisitions have been completed including 2,671 acres of Environmentally Endangered Lands.
- **Not-for-Profits** – Approximately \$72 million in not-for-profit grant agreements have been executed or are in various stages of the contracting process.

A total of 447 individual project sites (County departments, municipal and not-for-profit projects) were in various stages of development, with 406 (91%) of these sites proceeding on-schedule. As of this reporting period, the entire \$147.1 million from the first tranche of the current bond sale (Series 2008B/B1 – approximately \$350 million total) has been spent. Further, \$61.2 million of the second tranche (approximately \$201.7 million) has also been spent bringing the overall total spent from the Series 2008B/B1 bond sale to \$208.2 million.

The \$100 million for the Seaport Tunnel (Series 2008A Bond Sale) was wire-transferred to the Florida Department of Transportation (FDOT) on December 9, 2009. The transfer of these funds to FDOT is considered an expenditure.

The \$50 million bond for the Marlins Ballpark (Series 2010A Bond Sale) was issued on January 27, 2010. As of the end of this reporting period, approximately \$3.1 million in expenditures have been incurred against this \$50 million.

## COUNTY PROJECTS

County projects are continuing to progress through various stages of development including design, construction and property acquisition (See Attachment 2). During this period, 353 individual County

department project sites were in various stages of development with 315 (89%) of these sites proceeding on schedule.

### **MUNICIPAL PARTICIPATION**

There was one municipal agreement for \$600,000 executed this period for a feasibility study for the Miami Beach Convention Center. The total value of municipal agreements fully executed to date is \$135 million.

### **NOT-FOR-PROFIT PARTICIPATION (INCLUDING CULTURAL AFFAIRS PROJECTS)**

Four grant agreements totaling \$16.5 million were executed this reporting period with the following entities: Miami Art Museum (\$4 million), Miami Science Museum (\$9.35 million), Jessie Trice Health Care (\$2.7 million) and the Richmond Naval Air Station Military Museum (\$405,000). The total value of grant agreements executed to date with not-for-profit organizations is \$41.3 million. This \$41.3 million does not include agreements executed as part of the Not-for-Profit Organization Capital Grant Fund (NFP Fund) discussed below.

### **NOT-FOR-PROFIT COMMUNITY ORGANIZATION CAPITAL GRANT FUND**

Two agreements totaling \$1 million were executed this period related to the 37 grant allocations (awarded by the Board in July 2007) that are part of the \$30 million NFP grant fund. These agreements were executed with the Miami Hispanic Ballet Theater and Citizens for a Better South Florida. Both agreements were for property purchases. To date, 30 NFP Fund agreements have been executed with a total value of \$22 million. The remaining seven agreements, worth approximately \$8 million, are in various stages of completion. OCI is working with stakeholders for these projects to complete the funding process that includes receipt of stakeholder information, internal staff due-diligence review and final approval procedures. As of the end of this reporting period, 10 NFP Fund projects have been completed. They are the United Way Center for Excellence in Early Education, Galata Intergenerational Recreational Community Center, WDNA Community Public Radio Station Building, Association for the Development of the Exceptional Adult Day Training Center, Jewish Museum of Florida, Daily Bread Food Bank, Albert C. Pierre Community Services Center, Tropical Audubon Society Roof Replacement, Sunrise Community Adult Training Center and the Miami Hispanic Ballet Theater (property purchase).

### **SURPLUS FUNDS (NET INTEREST INCOME AND UNALLOCATED PROCEEDS) AND OTHER SOURCES OF FUNDS**

Implementing Order (IO) No. 3-47 established the process for the allocation of surplus funds from the BBC-GOB and was approved by the Board on March 17, 2009. This IO requires that the following three items be reported to the Board on a quarterly basis:

#### **1. CASH FLOW REVISIONS (SERIES 2008B and B-1 Bond Sales)**

IO No. 3-47 defines a cash flow revision as an amendment to a project's original expenditure timetable approved by the Board for funding from a particular bond sale provided such change does not increase the total allocation approved by the voters for a specific project. This period, OCI administratively approved approximately \$7.2 million in cash flow revisions from the second tranche (\$201.7 million) of the Series 2008B/B1 bond sale (approximately \$350 million total) for 15 project sites (See Attachment 3). To date, a total of \$60.6 million in cash flow revisions funded from the Series 2008B/B1 bond sale have been approved for 79 project sites.

#### **FUNDING ACCELERATIONS**

IO No. 3-47 defines acceleration as the addition of a new project to the list of projects approved by the Board for funding from a specific bond sale. This period, there were no accelerations

processed for Board approval under IO No. 3-47. To date, a total of \$21 million in accelerations have been processed for Board approval under IO No. 3-47. See Attachment 4.

## **2. GOB NET INTEREST INCOME AVAILABLE**

IO #3-47 defines net interest income as interest earnings on unspent bond proceeds that accrue from the time bonds are sold to the time the bond proceeds are spent, less administrative expenses and any arbitrage liability set-asides. At the time covered in this report, the net BBC-GOB interest available per bond sale was as follows:

- Series 2005A - There are no interest proceeds remaining from this bond series.
- Series B (Seaport Tunnel) - \$2.4 million.
- Series 2008B and B-1 - \$0

## **SIGNIFICANT MODIFICATIONS**

On January 21, 2010, the Board approved a significant modification which:

- Deleted GOB Project Nos. 242 – “New Elderly Units at Joe Moretti, 244 - “New Elderly Units at Dante Fascell”, 245 – “New Elderly Units at Three Round Towers”, 246 – “New Family Units at Annie Coleman” and 248 – “New Elderly Units at Elizabeth Virrick I”.
- Added GOB Project Nos. 242.A – “New Family Units at Victory Homes” and 244.A – “New Elderly Units Elizabeth Virrick II” and;
- Modified GOB Project No. 247 – “New Family Units at Lincoln Gardens” as follows:
  - Revised the project description from “construction of 36 new units” to the “demolition of existing dilapidated units and construction of approx. 95 new affordable family units”.
  - Increased the original allocation for Lincoln Gardens from \$3.4 million to \$12.3 million (by re-allocating \$1.8 million from Dante Fascell, \$2.5 million from Annie Coleman and \$4.6 million from Elizabeth Virrick I).

## **PUBLIC OUTREACH EFFORTS**

Public outreach efforts during this period included production and distribution of the *Building Better Communities* Online Newsletter that highlighted the progression of projects funded in the 2008 bond sale. OCI also communicated with stakeholders through an advertising campaign “Snapshot of Our Progress” in more than two dozen community newspapers. This multi-lingual campaign (English, Spanish and Creole) focused on the first five years of the GOB program. In conjunction with this advertisement, a “Message from the Mayor” was published in community newspapers that highlighted the progress of the bond program. OCI also participated in two ribbon-cutting ceremonies for completed GOB-funded projects. In October 2009, an event was held at the Sunrise Community Center to dedicate a new training facility for disabled adults and in December 2009 a ribbon-cutting ceremony marked the opening of the new Village of Allapattah YMCA. The Citizens’ Advisory Committee (CAC) has asked the staff to begin the process of arranging meetings or presentations with each of the original community groups that participated in helping to pass the GOB. The CAC feels it is timely to go back and inform all of these individual organizations regarding the current status of the GOB.

### **CITIZENS ADVISORY COMMITTEE (CAC)**

Three CAC meetings and one Housing Subcommittee meeting were held during this reporting period. At the November 18, 2009 CAC meeting, the election for CAC Chair and Vice-chair was held with the current Chair and Vice-Chair retaining their seats for another term. Dr. Robert Cruz, the County's Chief Economist and Mr. Frank Nero, President and CEO of the Beacon Council made presentations regarding the Economic Development Fund and staff from the Department of Small Business Development (SBD) made a presentation on the Small Business Development Process. At the January 20, 2010 CAC meeting, Mr. Michael Spring, Director, Miami-Dade Department of Cultural Affairs, made a presentation on the design and construction of the Miami Art Museum and the Miami Science Museum. A GOB Housing Subcommittee meeting was held on January 12, 2010. GSA staff provided an update on the affordable housing projects and Housing staff provided an update on the public housing projects.

### **SERIES 2008B/B1 BOND SALE**

Financial markets necessitated that the County sell its 2008/2009 series of bonds in groups (called tranches) rather than a single sale, as was done with the initial 2005 bond sale. The first tranche (\$147.1 million) of the approximately \$350 million Series 2008B/B1 bond sale was sold on December 11, 2008. The second tranche (\$201.7 million) was sold on March 12, 2009 thereby completing the series. These bonds will fund GOB projects over the next year with the largest number (81%) slated for ongoing work funded in the initial 2005 bond sale. The entire amount from the Series 2008B/B1 bond sales is expected to be spent by the end of this calendar year. Currently, staff is evaluating the timing for future bond sales.

### **CONCLUSION**

The period covered in this report reflects the continued progress of the bond program with improvement projects, both large and small, moving forward in neighborhoods throughout Miami-Dade. At the close of this reporting period, the total amount spent from the current Series 2008B/B1 bond sale is approximately \$208.2 million with the County poised to continue spending funds from the second tranche during the remainder of 2010.

If you have any questions regarding this report, please contact Johnny Martinez, P.E., Director, Office of Capital Improvements, at (305) 375-2736 or me directly.

c:     Honorable Carlos Alvarez, Mayor  
       Robert A. Cuevas Jr., County Attorney  
       Ysela Llort, Assistant County Manager  
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       County Executive Office Senior Staff  
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